

110TH CONGRESS  
1ST SESSION

# S. 1145

To amend title 35, United States Code, to provide for patent reform.

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## IN THE SENATE OF THE UNITED STATES

APRIL 18, 2007

Mr. LEAHY (for himself, Mr. HATCH, Mr. SCHUMER, Mr. CORNYN, and Mr. WHITEHOUSE) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

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## A BILL

To amend title 35, United States Code, to provide for patent reform.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4       (a) **SHORT TITLE.**—This Act may be cited as the  
5       “Patent Reform Act of 2007”.

6       (b) **TABLE OF CONTENTS.**—The table of contents of  
7       this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Reference to title 35, United States Code.
- Sec. 3. Right of the first inventor to file.
- Sec. 4. Inventor’s oath or declaration.
- Sec. 5. Right of the inventor to obtain damages.
- Sec. 6. Post-grant procedures and other quality enhancements.
- Sec. 7. Definitions; patent trial and appeal board.

- Sec. 8. Study and report on reexamination proceedings.  
 Sec. 9. Submissions by third parties and other quality enhancements.  
 Sec. 10. Venue and jurisdiction.  
 Sec. 11. Regulatory authority.  
 Sec. 12. Technical amendments.  
 Sec. 13. Effective date; rule of construction.

1 **SEC. 2. REFERENCE TO TITLE 35, UNITED STATES CODE.**

2 Whenever in this Act a section or other provision is  
 3 amended or repealed, that amendment or repeal shall be  
 4 considered to be made to that section or other provision  
 5 of title 35, United States Code.

6 **SEC. 3. RIGHT OF THE FIRST INVENTOR TO FILE.**

7 (a) DEFINITIONS.—Section 100 is amended by add-  
 8 ing at the end the following:

9 “(f) The term ‘inventor’ means the individual or, if  
 10 a joint invention, the individuals collectively who invented  
 11 or discovered the subject matter of the invention.

12 “(g) The terms ‘joint inventor’ and ‘coinventor’ mean  
 13 any 1 of the individuals who invented or discovered the  
 14 subject matter of a joint invention.

15 “(h) The ‘effective filing date of a claimed invention’  
 16 is—

17 “(1) the filing date of the patent or the applica-  
 18 tion for patent containing the claim to the invention;  
 19 or

20 “(2) if the patent or application for patent is  
 21 entitled to a right of priority of any other applica-  
 22 tion under section 119, 365(a), or 365(b) or to the

1 benefit of an earlier filing date in the United States  
2 under section 120, 121, or 365(c), the filing date of  
3 the earliest such application in which the claimed in-  
4 vention is disclosed in the manner provided by the  
5 first paragraph of section 112.

6 “(i) The term ‘claimed invention’ means the subject  
7 matter defined by a claim in a patent or an application  
8 for a patent.

9 “(j) The term ‘joint invention’ means an invention  
10 resulting from the collaboration of inventive endeavors of  
11 2 or more persons working toward the same end and pro-  
12 ducing an invention by their collective efforts.”

13 (b) CONDITIONS FOR PATENTABILITY.—

14 (1) IN GENERAL.—Section 102 is amended to  
15 read as follows:

16 **“§ 102. Conditions for patentability; novelty**

17 “(a) NOVELTY; PRIOR ART.—A patent for a claimed  
18 invention may not be obtained if—

19 “(1) the claimed invention was patented, de-  
20 scribed in a printed publication, or in public use or  
21 on sale—

22 “(A) more than one year before the effec-  
23 tive filing date of the claimed invention; or

24 “(B) one year or less before the effective  
25 filing date of the claimed invention, other than

1 through disclosures made by the inventor or a  
2 joint inventor or by others who obtained the  
3 subject matter disclosed directly or indirectly  
4 from the inventor or a joint inventor; or

5 “(2) the claimed invention was described in a  
6 patent issued under section 151, or in an application  
7 for patent published or deemed published under sec-  
8 tion 122(b), in which the patent or application, as  
9 the case may be, names another inventor and was  
10 effectively filed before the effective filing date of the  
11 claimed invention.

12 “(b) EXCEPTIONS.—

13 “(1) PRIOR INVENTOR DISCLOSURE EXCEP-  
14 TION.—Subject matter that would otherwise qualify  
15 as prior art under subparagraph (B) of subsection  
16 (a)(1) shall not be prior art to a claimed invention  
17 under that subparagraph if the subject matter had,  
18 before the applicable date under such subparagraph  
19 (B), been publicly disclosed by the inventor or a  
20 joint inventor or others who obtained the subject  
21 matter disclosed directly or indirectly from the in-  
22 ventor, joint inventor, or applicant.

23 “(2) DERIVATION AND COMMON ASSIGNMENT  
24 EXCEPTIONS.—Subject matter that would otherwise  
25 qualify as prior art only under subsection (a)(2),

1 after taking into account the exception under para-  
2 graph (1), shall not be prior art to a claimed inven-  
3 tion if—

4 “(A) the subject matter was obtained di-  
5 rectly or indirectly from the inventor or a joint  
6 inventor; or

7 “(B) the subject matter and the claimed  
8 invention, not later than the effective filing date  
9 of the claimed invention, were owned by the  
10 same person or subject to an obligation of as-  
11 signment to the same person.

12 “(3) JOINT RESEARCH AGREEMENT EXCEP-  
13 TION.—

14 “(A) IN GENERAL.—Subject matter and a  
15 claimed invention shall be deemed to have been  
16 owned by the same person or subject to an obli-  
17 gation of assignment to the same person in ap-  
18 plying the provisions of paragraph (2) if—

19 “(i) the claimed invention was made  
20 by or on behalf of parties to a joint re-  
21 search agreement that was in effect on or  
22 before the effective filing date of the  
23 claimed invention;

24 “(ii) the claimed invention was made  
25 as a result of activities undertaken within

1 the scope of the joint research agreement;  
2 and

3 “(iii) the application for patent for  
4 the claimed invention discloses or is  
5 amended to disclose the names of the par-  
6 ties to the joint research agreement.

7 “(B) For purposes of subparagraph (A),  
8 the term ‘joint research agreement’ means a  
9 written contract, grant, or cooperative agree-  
10 ment entered into by two or more persons or  
11 entities for the performance of experimental,  
12 developmental, or research work in the field of  
13 the claimed invention.

14 “(4) PATENTS AND PUBLISHED APPLICATIONS  
15 EFFECTIVELY FILED.—A patent or application for  
16 patent is effectively filed under subsection (a)(2)  
17 with respect to any subject matter described in the  
18 patent or application—

19 “(A) as of the filing date of the patent or  
20 the application for patent; or

21 “(B) if the patent or application for patent  
22 is entitled to claim a right of priority under sec-  
23 tion 119, 365(a), or 365(b) or to claim the ben-  
24 efit of an earlier filing date under section 120,  
25 121, or 365(c), based upon one or more prior

1 filed applications for patent, as of the filing  
2 date of the earliest such application that de-  
3 scribes the subject matter.”.

4 (2) CONFORMING AMENDMENT.—The item re-  
5 lating to section 102 in the table of sections for  
6 chapter 10 is amended to read as follows:

“102. Conditions for patentability; novelty.”.

7 (c) CONDITIONS FOR PATENTABILITY; NON-OBVIOUS  
8 SUBJECT MATTER.—Section 103 is amended to read as  
9 follows:

10 **“§ 103. Conditions for patentability; nonobvious sub-**  
11 **ject matter**

12 “A patent for a claimed invention may not be ob-  
13 tained though the claimed invention is not identically dis-  
14 closed as set forth in section 102, if the differences be-  
15 tween the claimed invention and the prior art are such  
16 that the claimed invention as a whole would have been ob-  
17 vious before the effective filing date of the claimed inven-  
18 tion to a person having ordinary skill in the art to which  
19 the claimed invention pertains. Patentability shall not be  
20 negated by the manner in which the invention was made.”.

21 (d) REPEAL OF REQUIREMENTS FOR INVENTIONS  
22 MADE ABROAD.—Section 104, and the item relating to  
23 that section in the table of sections for chapter 10, are  
24 repealed.

1 (e) REPEAL OF STATUTORY INVENTION REGISTRA-  
2 TION.—

3 (1) IN GENERAL.—Section 157, and the item  
4 relating to that section in the table of sections for  
5 chapter 14, are repealed.

6 (2) REMOVAL OF CROSS REFERENCES.—Section  
7 111(b)(8) is amended by striking “sections 115,  
8 131, 135, and 157” and inserting “sections 131 and  
9 135”.

10 (f) EARLIER FILING DATE FOR INVENTOR AND  
11 JOINT INVENTOR.—Section 120 is amended by striking  
12 “which is filed by an inventor or inventors named” and  
13 inserting “which names an inventor or joint inventor”.

14 (g) CONFORMING AMENDMENTS.—

15 (1) RIGHT OF PRIORITY.—Section 172 is  
16 amended by striking “and the time specified in sec-  
17 tion 102(d)”.

18 (2) LIMITATION ON REMEDIES.—Section  
19 287(c)(4) is amended by striking “the earliest effec-  
20 tive filing date of which is prior to” and inserting  
21 “which has an effective filing date before”.

22 (3) INTERNATIONAL APPLICATION DESIGN-  
23 NATING THE UNITED STATES: EFFECT.—Section  
24 363 is amended by striking “except as otherwise  
25 provided in section 102(e) of this title”.

1           (4) PUBLICATION OF INTERNATIONAL APPLICA-  
2           TION: EFFECT.—Section 374 is amended by striking  
3           “sections 102(e) and 154(d)” and inserting “section  
4           154(d)”.

5           (5) PATENT ISSUED ON INTERNATIONAL APPLI-  
6           CATION: EFFECT.—The second sentence of section  
7           375(a) is amended by striking “Subject to section  
8           102(e) of this title, such” and inserting “Such”.

9           (6) LIMIT ON RIGHT OF PRIORITY.—Section  
10          119(a) is amended by striking “; but no patent shall  
11          be granted” and all that follows through “one year  
12          prior to such filing”.

13          (7) INVENTIONS MADE WITH FEDERAL ASSIST-  
14          ANCE.—Section 202(c) is amended—

15                (A) in paragraph (2)—

16                   (i) by striking “publication, on sale,  
17                   or public use,” and all that follows through  
18                   “obtained in the United States” and in-  
19                   serting “the 1-year period referred to in  
20                   section 102(a) would end before the end of  
21                   that 2-year period”; and

22                   (ii) by striking “the statutory” and  
23                   inserting “that 1-year”; and

24                (B) in paragraph (3), by striking “any  
25                statutory bar date that may occur under this

1 title due to publication, on sale, or public use”  
2 and inserting “the expiration of the 1-year pe-  
3 riod referred to in section 102(a)”.

4 (h) REPEAL OF INTERFERING PATENT REMEDIES.—  
5 Section 291, and the item relating to that section in the  
6 table of sections for chapter 29, are repealed.

7 (i) ACTION FOR CLAIM TO PATENT ON DERIVED IN-  
8 VENTION.—Section 135(a) is amended to read as follows:

9 “(a) DISPUTE OVER RIGHT TO PATENT.—

10 “(1) INSTITUTION OF DERIVATION PRO-  
11 CEEDING.—An applicant may request initiation of a  
12 derivation proceeding to determine the right of the  
13 applicant to a patent by filing a request which sets  
14 forth with particularity the basis for finding that an  
15 earlier applicant derived the claimed invention from  
16 the applicant requesting the proceeding and, without  
17 authorization, filed an application claiming such in-  
18 vention. Any such request may only be made within  
19 12 months after the date of first publication of an  
20 application containing a claim that is the same or is  
21 substantially the same as the claimed invention,  
22 must be made under oath, and must be supported  
23 by substantial evidence. Whenever the Director de-  
24 termines that patents or applications for patent  
25 naming different individuals as the inventor interfere

1 with one another because of a dispute over the right  
2 to patent under section 101, the Director shall insti-  
3 tute a derivation proceeding for the purpose of de-  
4 termining which applicant is entitled to a patent.

5 “(2) REQUIREMENTS.—A proceeding under this  
6 subsection may not be commenced unless the party  
7 requesting the proceeding has filed an application  
8 that was filed not later than 18 months after the ef-  
9 fective filing date of the application or patent  
10 deemed to interfere with the subsequent application  
11 or patent.

12 “(3) DETERMINATION BY PATENT TRIAL AND  
13 APPEAL BOARD.—In any proceeding under this sub-  
14 section, the Patent Trial and Appeal Board—

15 “(A) shall determine the question of the  
16 right to patent;

17 “(B) in appropriate circumstances, may  
18 correct the naming of the inventor in any appli-  
19 cation or patent at issue; and

20 “(C) shall issue a final decision on the  
21 right to patent.

22 “(4) DERIVATION PROCEEDING.—The Board  
23 may defer action on a request to initiate a derivation  
24 proceeding until 3 months after the date on which

1 the Director issues a patent to the applicant that  
2 filed the earlier application.

3 “(5) EFFECT OF FINAL DECISION.—The final  
4 decision of the Patent Trial and Appeal Board, if  
5 adverse to the claim of an applicant, shall constitute  
6 the final refusal by the Patent and Trademark Of-  
7 fice on the claims involved. The Director may issue  
8 a patent to an applicant who is determined by the  
9 Patent Trial and Appeal Board to have the right to  
10 patent. The final decision of the Board, if adverse  
11 to a patentee, shall, if no appeal or other review of  
12 the decision has been or can be taken or had, con-  
13 stitute cancellation of the claims involved in the pat-  
14 ent, and notice of such cancellation shall be endorsed  
15 on copies of the patent distributed after such can-  
16 cellation by the Patent and Trademark Office.”.

17 (j) ELIMINATION OF REFERENCES TO INTER-  
18 FERENCES.—(1) Sections 6, 41, 134, 141, 145, 146, 154,  
19 305, and 314 are each amended by striking “Board of  
20 Patent Appeals and Interferences” each place it appears  
21 and inserting “Patent Trial and Appeal Board”.

22 (2) Sections 141, 146, and 154 are each amended—  
23 (A) by striking “an interference” each place it  
24 appears and inserting “a derivation proceeding”;  
25 and

1 (B) by striking “interference” each additional  
2 place it appears and inserting “derivation pro-  
3 ceeding”.

4 (3) The section heading for section 134 is amended  
5 to read as follows:

6 **“§ 134. Appeal to the Patent Trial and Appeal Board”.**

7 (4) The section heading for section 135 is amended  
8 to read as follows:

9 **“§ 135. Derivation proceedings”.**

10 (5) The section heading for section 146 is amended  
11 to read as follows:

12 **“§ 146. Civil action in case of derivation proceeding”.**

13 (6) Section 154(b)(1)(C) is amended by striking  
14 “INTERFERENCES” and inserting “DERIVATION PRO-  
15 CEEDINGS”.

16 (7) The item relating to section 6 in the table of sec-  
17 tions for chapter 1 is amended to read as follows:

“6. Patent Trial and Appeal Board.”.

18 (8) The items relating to sections 134 and 135 in  
19 the table of sections for chapter 12 are amended to read  
20 as follows:

“134. Appeal to the Patent Trial and Appeal Board.

“135. Derivation proceedings.”.

21 (9) The item relating to section 146 in the table of  
22 sections for chapter 13 is amended to read as follows:

“146. Civil action in case of derivation proceeding.”.

1           (10) CERTAIN APPEALS.—Subsection 1295(a)(4)(A)  
2 of title 28, United States Code, is amended to read as  
3 follows:

4                   “(A) the Patent Trial and Appeal Board of  
5           the United States Patent and Trademark Office  
6           with respect to patent applications, derivation  
7           proceedings, and post-grant review proceedings,  
8           at the instance of an applicant for a patent or  
9           any party to a patent interference (commenced  
10          before the effective date of the Patent Reform  
11          Act of 2007), derivation proceeding, or post-  
12          grant review proceeding, and any such appeal  
13          shall waive any right of such applicant or party  
14          to proceed under section 145 or 146 of title  
15          35;”.

16 **SEC. 4. INVENTOR’S OATH OR DECLARATION.**

17           (a) INVENTOR’S OATH OR DECLARATION.—

18                   (1) IN GENERAL.—Section 115 is amended to  
19          read as follows:

20 **“§ 115. Inventor’s oath or declaration**

21           “(a) NAMING THE INVENTOR; INVENTOR’S OATH OR  
22          DECLARATION.—An application for patent that is filed  
23          under section 111(a), that commences the national stage  
24          under section 363, or that is filed by an inventor for an  
25          invention for which an application has previously been

1 filed under this title by that inventor shall include, or be  
2 amended to include, the name of the inventor of any  
3 claimed invention in the application. Except as otherwise  
4 provided in this section, an individual who is the inventor  
5 or a joint inventor of a claimed invention in an application  
6 for patent shall execute an oath or declaration in connec-  
7 tion with the application.

8       “(b) REQUIRED STATEMENTS.—An oath or declara-  
9 tion under subsection (a) shall contain statements that—

10           “(1) the application was made or was author-  
11 ized to be made by the affiant or declarant; and

12           “(2) such individual believes himself or herself  
13 to be the original inventor or an original joint inven-  
14 tor of a claimed invention in the application.

15       “(c) ADDITIONAL REQUIREMENTS.—The Director  
16 may specify additional information relating to the inventor  
17 and the invention that is required to be included in an  
18 oath or declaration under subsection (a).

19       “(d) SUBSTITUTE STATEMENT.—

20           “(1) IN GENERAL.—In lieu of executing an oath  
21 or declaration under subsection (a), the applicant for  
22 patent may provide a substitute statement under the  
23 circumstances described in paragraph (2) and such  
24 additional circumstances that the Director may  
25 specify by regulation.

1           “(2) PERMITTED CIRCUMSTANCES.—A sub-  
2           stitute statement under paragraph (1) is permitted  
3           with respect to any individual who—

4                   “(A) is unable to file the oath or declara-  
5                   tion under subsection (a) because the indi-  
6                   vidual—

7                           “(i) is deceased;

8                           “(ii) is under legal incapacity; or

9                           “(iii) cannot be found or reached after  
10                   diligent effort; or

11                   “(B) is under an obligation to assign the  
12                   invention but has refused to make the oath or  
13                   declaration required under subsection (a).

14           “(3) CONTENTS.—A substitute statement under  
15           this subsection shall—

16                   “(A) identify the individual with respect to  
17                   whom the statement applies;

18                   “(B) set forth the circumstances rep-  
19                   resenting the permitted basis for the filing of  
20                   the substitute statement in lieu of the oath or  
21                   declaration under subsection (a); and

22                   “(C) contain any additional information,  
23                   including any showing, required by the Direc-  
24                   tor.

1       “(e) MAKING REQUIRED STATEMENTS IN ASSIGN-  
2 MENT OF RECORD.—An individual who is under an obliga-  
3 tion of assignment of an application for patent may in-  
4 clude the required statements under subsections (b) and  
5 (c) in the assignment executed by the individual, in lieu  
6 of filing such statements separately.

7       “(f) TIME FOR FILING.—A notice of allowance under  
8 section 151 may be provided to an applicant for patent  
9 only if the applicant for patent has filed each required  
10 oath or declaration under subsection (a) or has filed a sub-  
11 stitute statement under subsection (d) or recorded an as-  
12 signment meeting the requirements of subsection (e).

13       “(g) EARLIER-FILED APPLICATION CONTAINING RE-  
14 QUIRED STATEMENTS OR SUBSTITUTE STATEMENT.—  
15 The requirements under this section shall not apply to an  
16 individual with respect to an application for patent in  
17 which the individual is named as the inventor or a joint  
18 inventor and that claims the benefit under section 120 or  
19 365(c) of the filing of an earlier-filed application, if—

20               “(1) an oath or declaration meeting the require-  
21 ments of subsection (a) was executed by the indi-  
22 vidual and was filed in connection with the earlier-  
23 filed application;

1           “(2) a substitute statement meeting the re-  
2 requirements of subsection (d) was filed in the earlier  
3 filed application with respect to the individual; or

4           “(3) an assignment meeting the requirements  
5 of subsection (e) was executed with respect to the  
6 earlier-filed application by the individual and was re-  
7 corded in connection with the earlier-filed applica-  
8 tion.

9           “(h) SUPPLEMENTAL AND CORRECTED STATE-  
10 MENTS; FILING ADDITIONAL STATEMENTS.—

11           “(1) IN GENERAL.—Any person making a state-  
12 ment required under this section may withdraw, re-  
13 place, or otherwise correct the statement at any  
14 time. If a change is made in the naming of the in-  
15 ventor requiring the filing of 1 or more additional  
16 statements under this section, the Director shall es-  
17 tablish regulations under which such additional  
18 statements may be filed.

19           “(2) SUPPLEMENTAL STATEMENTS NOT RE-  
20 QUIRED.—If an individual has executed an oath or  
21 declaration under subsection (a) or an assignment  
22 meeting the requirements of subsection (e) with re-  
23 spect to an application for patent, the Director may  
24 not thereafter require that individual to make any  
25 additional oath, declaration, or other statement

1 equivalent to those required by this section in con-  
2 nection with the application for patent or any patent  
3 issuing thereon.

4 “(3) SAVINGS CLAUSE.—No patent shall be in-  
5 valid or unenforceable based upon the failure to  
6 comply with a requirement under this section if the  
7 failure is remedied as provided under paragraph  
8 (1).”.

9 (2) RELATIONSHIP TO DIVISIONAL APPLICA-  
10 TIONS.—Section 121 is amended by striking “If a  
11 divisional application” and all that follows through  
12 “inventor.”.

13 (3) REQUIREMENTS FOR NONPROVISIONAL AP-  
14 PPLICATIONS.—Section 111(a) is amended—

15 (A) in paragraph (2)(C), by striking “by  
16 the applicant” and inserting “or declaration”;

17 (B) in the heading for paragraph (3), by  
18 striking “AND OATH”; and

19 (C) by striking “and oath” each place it  
20 appears.

21 (4) CONFORMING AMENDMENT.—The item re-  
22 lating to section 115 in the table of sections for  
23 chapter 10 is amended to read as follows:

“115. Inventor’s oath or declaration.”.

24 (b) FILING BY OTHER THAN INVENTOR.—Section  
25 118 is amended to read as follows:

1 **“§ 118. Filing by other than inventor**

2 “A person to whom the inventor has assigned or is  
3 under an obligation to assign the invention may make an  
4 application for patent. A person who otherwise shows suf-  
5 ficient proprietary interest in the matter may make an ap-  
6 plication for patent on behalf of and as agent for the in-  
7 ventor on proof of the pertinent facts and a showing that  
8 such action is appropriate to preserve the rights of the  
9 parties. If the Director grants a patent on an application  
10 filed under this section by a person other than the inven-  
11 tor, the patent shall be granted to the real party in inter-  
12 est and upon such notice to the inventor as the Director  
13 considers to be sufficient.”.

14 (c) SPECIFICATION.—Section 112 is amended—

15 (1) in the first paragraph—

16 (A) by striking “The specification” and in-  
17 serting “(a) IN GENERAL.—The specification”;  
18 and

19 (B) by striking “of carrying out his inven-  
20 tion” and inserting “or joint inventor of car-  
21 rying out the invention”; and

22 (2) in the second paragraph—

23 (A) by striking “The specifications” and  
24 inserting “(b) CONCLUSION.—The specifica-  
25 tions”; and

1 (B) by striking “applicant regards as his  
2 invention” and inserting “inventor or a joint in-  
3 ventor regards as the invention”;

4 (3) in the third paragraph, by striking “A  
5 claim” and inserting “(c) FORM.—A claim”;

6 (4) in the fourth paragraph, by striking “Sub-  
7 ject to the following paragraph,” and inserting “(d)  
8 REFERENCE IN DEPENDENT FORMS.—Subject to  
9 subsection (e),”;

10 (5) in the fifth paragraph, by striking “A  
11 claim” and inserting “(e) REFERENCE IN MULTIPLE  
12 DEPENDENT FORM.—A claim”; and

13 (6) in the last paragraph, by striking “An ele-  
14 ment” and inserting “(f) ELEMENT IN CLAIM FOR  
15 A COMBINATION.—An element”.

16 **SEC. 5. RIGHT OF THE INVENTOR TO OBTAIN DAMAGES.**

17 (a) DAMAGES.—Section 284 is amended—

18 (1) in the first paragraph—

19 (A) by striking “Upon” and inserting “(a)

20 AWARD OF DAMAGES.—

21 “(1) IN GENERAL.—Upon”;

22 (B) by aligning the remaining text accord-  
23 ingly; and

24 (C) by adding at the end the following:

1           “(2) RELATIONSHIP OF DAMAGES TO CON-  
2           TRIBUTIONS OVER PRIOR ART.—The court shall con-  
3           duct an analysis to ensure that a reasonable royalty  
4           under paragraph (1) is applied only to that economic  
5           value properly attributable to the patent’s specific  
6           contribution over the prior art. In a reasonable roy-  
7           alty analysis, the court shall identify all factors rel-  
8           evant to the determination of a reasonable royalty  
9           under this subsection, and the court or the jury, as  
10          the case may be, shall consider only those factors in  
11          making the determination. The court shall exclude  
12          from the analysis the economic value properly attrib-  
13          utable to the prior art, and other features or im-  
14          provements, whether or not themselves patented,  
15          that contribute economic value to the infringing  
16          product or process.

17          “(3) ENTIRE MARKET VALUE.—Unless the  
18          claimant shows that the patent’s specific contribu-  
19          tion over the prior art is the predominant basis for  
20          market demand for an infringing product or process,  
21          damages may not be based upon the entire market  
22          value of that infringing product or process.

23          “(4) OTHER FACTORS.—In determining dam-  
24          ages, the court may also consider, or direct the jury  
25          to consider, the terms of any nonexclusive market-

1 place licensing of the invention, where appropriate,  
2 as well as any other relevant factors under applica-  
3 ble law.”;

4 (2) by amending the second undesignated para-  
5 graph to read as follows:

6 “(b) WILLFUL INFRINGEMENT .—

7 “(1) INCREASED DAMAGES.—A court that has  
8 determined that the infringer has willfully infringed  
9 a patent or patents may increase the damages up to  
10 three times the amount of damages found or as-  
11 sessed under subsection (a), except that increased  
12 damages under this paragraph shall not apply to  
13 provisional rights under section 154(d).

14 “(2) PERMITTED GROUNDS FOR WILLFUL-  
15 NESS.—A court may find that an infringer has will-  
16 fully infringed a patent only if the patent owner pre-  
17 sents clear and convincing evidence that—

18 “(A) after receiving written notice from  
19 the patentee—

20 “(i) alleging acts of infringement in a  
21 manner sufficient to give the infringer an  
22 objectively reasonable apprehension of suit  
23 on such patent, and

24 “(ii) identifying with particularity  
25 each claim of the patent, each product or

1 process that the patent owner alleges in-  
2 fringes the patent, and the relationship of  
3 such product or process to such claim,  
4 the infringer, after a reasonable opportunity to  
5 investigate, thereafter performed one or more of  
6 the alleged acts of infringement;

7 “(B) the infringer intentionally copied the  
8 patented invention with knowledge that it was  
9 patented; or

10 “(C) after having been found by a court to  
11 have infringed that patent, the infringer en-  
12 gaged in conduct that was not colorably dif-  
13 ferent from the conduct previously found to  
14 have infringed the patent, and which resulted in  
15 a separate finding of infringement of the same  
16 patent.

17 “(3) LIMITATIONS ON WILLFULNESS.—(A) A  
18 court may not find that an infringer has willfully in-  
19 fringed a patent under paragraph (2) for any period  
20 of time during which the infringer had an informed  
21 good faith belief that the patent was invalid or unen-  
22 forceable, or would not be infringed by the conduct  
23 later shown to constitute infringement of the patent.

1           “(B) An informed good faith belief within the  
2 meaning of subparagraph (A) may be established  
3 by—

4           “(i) reasonable reliance on advice of coun-  
5 sel;

6           “(ii) evidence that the infringer sought to  
7 modify its conduct to avoid infringement once it  
8 had discovered the patent; or

9           “(iii) other evidence a court may find suffi-  
10 cient to establish such good faith belief.

11           “(C) The decision of the infringer not to  
12 present evidence of advice of counsel is not relevant  
13 to a determination of willful infringement under  
14 paragraph (2).

15           “(4) LIMITATION ON PLEADING.—Before the  
16 date on which a court determines that the patent in  
17 suit is not invalid, is enforceable, and has been in-  
18 fringed by the infringer, a patentee may not plead  
19 and a court may not determine that an infringer has  
20 willfully infringed a patent. The court’s determina-  
21 tion of an infringer’s willfulness shall be made with-  
22 out a jury.”; and

23           (3) in the third undesignated paragraph, by  
24 striking “The court” and inserting “(c) EXPERT  
25 TESTIMONY.—The court”.

1 (b) DEFENSE TO INFRINGEMENT BASED ON EAR-  
2 LIER INVENTOR.—Section 273 of title 35, United States  
3 Code, is amended—

4 (1) in subsection (a)—

5 (A) in paragraph (1)—

6 (i) by striking “of a method”; and

7 (ii) by striking “review period;” and  
8 inserting “review period; and”;

9 (B) in paragraph (2)(B), by striking the  
10 semicolon at the end and inserting a period;  
11 and

12 (C) by striking paragraphs (3) and (4);

13 (2) in subsection (b)—

14 (A) in paragraph (1)—

15 (i) by striking “for a method”; and

16 (ii) by striking “at least 1 year before  
17 the effective filing date of such patent,  
18 and” and all that follows through the pe-  
19 riod and inserting “and commercially used,  
20 or made substantial preparations for com-  
21 mercial use of, the subject matter before  
22 the effective filing date of the claimed in-  
23 vention.”;

24 (B) in paragraph (2)—

1 (i) by striking “The sale or other dis-  
2 position of a useful end result produced by  
3 a patented method” and inserting “The  
4 sale or other disposition of subject matter  
5 that qualifies for the defense set forth in  
6 this section”; and

7 (ii) by striking “a defense under this  
8 section with respect to that useful end re-  
9 sult” and inserting “such defense”; and

10 (C) in paragraph (3)—

11 (i) by striking subparagraph (A); and

12 (ii) by redesignating subparagraphs  
13 (B) and (C) as subparagraphs (A) and  
14 (B), respectively;

15 (3) in paragraph (7), by striking “of the pat-  
16 ent” and inserting “of the claimed invention”; and

17 (4) by amending the heading to read as follows:

18 **“§ 273. Special defenses to and exemptions from in-  
19 fringement”.**

20 (c) TABLE OF SECTIONS.—The item relating to sec-  
21 tion 273 in the table of sections for chapter 28 is amended  
22 to read as follows:

“273. Special defenses to and exemptions from infringement.”.

23 (d) EFFECTIVE DATE.—The amendments made by  
24 this section shall apply to any civil action commenced on  
25 or after the date of enactment of this Act.

1 **SEC. 6. POST-GRANT PROCEDURES AND OTHER QUALITY**  
2 **ENHANCEMENTS.**

3 (a) REEXAMINATION.—Section 303(a) is amended to  
4 read as follows:

5 “(a) Within 3 months after the owner of a patent  
6 files a request for reexamination under section 302, the  
7 Director shall determine whether a substantial new ques-  
8 tion of patentability affecting any claim of the patent con-  
9 cerned is raised by the request, with or without consider-  
10 ation of other patents or printed publications. On the Di-  
11 rector’s own initiative, and at any time, the Director may  
12 determine whether a substantial new question of patent-  
13 ability is raised by patents and publications discovered by  
14 the Director, is cited under section 301, or is cited by any  
15 person other than the owner of the patent under section  
16 302 or section 311. The existence of a substantial new  
17 question of patentability is not precluded by the fact that  
18 a patent or printed publication was previously cited by or  
19 to the Office or considered by the Office.”.

20 (b) REEXAMINATION.—Section 315(c) is amended by  
21 striking “or could have raised”.

22 (c) REEXAMINATION PROHIBITED AFTER DISTRICT  
23 COURT DECISION.—Section 317(b) is amended—

24 (1) in the subsection heading, by striking  
25 “FINAL DECISION” and inserting “DISTRICT COURT  
26 DECISION”; and



1 a petition for cancellation seeking to institute a post-grant  
2 review proceeding to cancel as unpatentable any claim of  
3 a patent on any ground that could be raised under para-  
4 graph (2) or (3) of section 282(b) (relating to invalidity  
5 of the patent or any claim). The Director shall establish,  
6 by regulation, fees to be paid by the person requesting  
7 the proceeding, in such amounts as the Director deter-  
8 mines to be reasonable.

9 **“§ 322. Timing and bases of petition**

10 “A post-grant proceeding may be instituted under  
11 this chapter pursuant to a cancellation petition filed under  
12 section 321 only if—

13 “(1) the petition is filed not later than 12  
14 months after the grant of the patent or issuance of  
15 a reissue patent, as the case may be;

16 “(2)(A) the petitioner establishes a substantial  
17 reason to believe that the continued existence of the  
18 challenged claim in the petition causes or is likely to  
19 cause the petitioner significant economic harm; or

20 “(B) the petitioner has received notice from the  
21 patent holder alleging infringement by the petitioner  
22 of the patent; or

23 “(3) the patent owner consents in writing to the  
24 proceeding.

1 **“§ 323. Requirements of petition**

2 “A cancellation petition filed under section 321 may  
3 be considered only if—

4 “(1) the petition is accompanied by payment of  
5 the fee established by the Director under section  
6 321;

7 “(2) the petition identifies the cancellation peti-  
8 tioner; and

9 “(3) the petition sets forth in writing the basis  
10 for the cancellation, identifying each claim chal-  
11 lenged and providing such information as the Direc-  
12 tor may require by regulation, and includes copies of  
13 patents and printed publications that the cancella-  
14 tion petitioner relies upon in support of the petition;  
15 and

16 “(4) the petitioner provides copies of those doc-  
17 uments to the patent owner or, if applicable, the  
18 designated representative of the patent owner.

19 **“§ 324. Prohibited filings**

20 “A post-grant review proceeding may not be insti-  
21 tuted under paragraph (1), (2), or (3) of section 322 if  
22 the petition for cancellation requesting the proceeding  
23 identifies the same cancellation petitioner and the same  
24 patent as a previous petition for cancellation filed under  
25 the same paragraph of section 322.

1 **“§ 325. Submission of additional information; show-**  
2 **ing of sufficient grounds**

3 “The cancellation petitioner shall file such additional  
4 information with respect to the petition as the Director  
5 may require. The Director may not authorize a post-grant  
6 review proceeding to commence unless the Director deter-  
7 mines that the information presented provides sufficient  
8 grounds to proceed.

9 **“§ 326. Conduct of post-grant review proceedings**

10 “(a) IN GENERAL.—The Director shall—

11 “(1) prescribe regulations, in accordance with  
12 section 2(b)(2), establishing and governing post-  
13 grant review proceedings under this chapter and  
14 their relationship to other proceedings under this  
15 title;

16 “(2) prescribe regulations setting forth the  
17 standards for showings of substantial reason to be-  
18 lieve and significant economic harm under section  
19 322(2) and sufficient grounds under section 325;

20 “(3) prescribe regulations establishing proce-  
21 dures for the submission of supplemental informa-  
22 tion after the petition for cancellation is filed; and

23 “(4) prescribe regulations setting forth proce-  
24 dures for discovery of relevant evidence, including  
25 that such discovery shall be limited to evidence di-  
26 rectly related to factual assertions advanced by ei-

1 ther party in the proceeding, and the procedures for  
2 obtaining such evidence shall be consistent with the  
3 purpose and nature of the proceeding.

4 “(b) POST-GRANT REGULATIONS.—Regulations  
5 under subsection (a)(1)—

6 “(1) shall require that the final determination  
7 in a post-grant proceeding issue not later than one  
8 year after the date on which the post-grant review  
9 proceeding is instituted under this chapter, except  
10 that, for good cause shown, the Director may extend  
11 the 1-year period by not more than six months;

12 “(2) shall provide for discovery upon order of  
13 the Director;

14 “(3) shall prescribe sanctions for abuse of dis-  
15 covery, abuse of process, or any other improper use  
16 of the proceeding, such as to harass or to cause un-  
17 necessary delay or unnecessary increase in the cost  
18 of the proceeding;

19 “(4) may provide for protective orders gov-  
20 erning the exchange and submission of confidential  
21 information; and

22 “(5) shall ensure that any information sub-  
23 mitted by the patent owner in support of any  
24 amendment entered under section 328 is made avail-

1       able to the public as part of the prosecution history  
2       of the patent.

3       “(c) CONSIDERATIONS.—In prescribing regulations  
4       under this section, the Director shall consider the effect  
5       on the economy, the integrity of the patent system, and  
6       the efficient administration of the Office.

7       “(d) CONDUCT OF PROCEEDING.—The Patent Trial  
8       and Appeal Board shall, in accordance with section 6(b),  
9       conduct each post-grant review proceeding authorized by  
10      the Director.

11      **“§ 327. Patent owner response**

12      “After a post-grant proceeding under this chapter  
13      has been instituted with respect to a patent, the patent  
14      owner shall have the right to file, within a time period  
15      set by the Director, a response to the cancellation petition.  
16      The patent owner shall file with the response, through af-  
17      fidavits or declarations, any additional factual evidence  
18      and expert opinions on which the patent owner relies in  
19      support of the response.

20      **“§ 328. Proof and evidentiary standards**

21      “(a) IN GENERAL.—The presumption of validity set  
22      forth in section 282 shall not apply in a challenge to any  
23      patent claim under this chapter.

24      “(b) BURDEN OF PROOF.—The party advancing a  
25      proposition under this chapter shall have the burden of

1 proving that proposition by a preponderance of the evi-  
2 dence.

3 **“§ 329. Amendment of the patent**

4 “(a) IN GENERAL.—In response to a challenge in a  
5 petition for cancellation, the patent owner may file 1 mo-  
6 tion to amend the patent in 1 or more of the following  
7 ways:

8 “(1) Cancel any challenged patent claim.

9 “(2) For each challenged claim, propose a sub-  
10 stitute claim.

11 “(3) Amend the patent drawings or otherwise  
12 amend the patent other than the claims.

13 “(b) ADDITIONAL MOTIONS.—Additional motions to  
14 amend may be permitted only for good cause shown.

15 “(c) SCOPE OF CLAIMS.—An amendment under this  
16 section may not enlarge the scope of the claims of the pat-  
17 ent or introduce new matter.

18 **“§ 330. Decision of the Board**

19 “If the post-grant review proceeding is instituted and  
20 not dismissed under this chapter, the Patent Trial and  
21 Appeal Board shall issue a final written decision with re-  
22 spect to the patentability of any patent claim challenged  
23 and any new claim added under section 329.

1 **“§ 331. Effect of decision**

2 “(a) IN GENERAL.—If the Patent Trial and Appeal  
3 Board issues a final decision under section 330 and the  
4 time for appeal has expired or any appeal proceeding has  
5 terminated, the Director shall issue and publish a certifi-  
6 cate canceling any claim of the patent finally determined  
7 to be unpatentable and incorporating in the patent by op-  
8 eration of the certificate any new claim determined to be  
9 patentable.

10 “(b) NEW CLAIMS.—Any new claim held to be pat-  
11 entable and incorporated into a patent in a post-grant re-  
12 view proceeding shall have the same effect as that speci-  
13 fied in section 252 for reissued patents on the right of  
14 any person who made, purchased, offered to sell, or used  
15 within the United States, or imported into the United  
16 States, anything patented by such new claim, or who made  
17 substantial preparations therefore, prior to issuance of a  
18 certificate under subsection (a) of this section.

19 **“§ 332. Relationship to other pending proceedings**

20 “Notwithstanding subsection 135(a), sections 251  
21 and 252, and chapter 30, the Director may determine the  
22 manner in which any reexamination proceeding, reissue  
23 proceeding, interference proceeding (commenced before  
24 the effective date of the Patent Reform Act of 2007), deri-  
25 vation proceeding, or post-grant review proceeding, that  
26 is pending during a post-grant review proceeding, may

1 proceed, including providing for stay, transfer, consolida-  
2 tion, or termination of any such proceeding.

3 **“§ 333. Effect of decisions rendered in civil action on**  
4 **future post-grant review proceedings**

5 “If a final decision has been entered against a party  
6 in a civil action arising in whole or in part under section  
7 1338 of title 28 establishing that the party has not sus-  
8 tained its burden of proving the invalidity of any patent  
9 claim—

10 “(1) that party to the civil action and the  
11 privies of that party may not thereafter request a  
12 post-grant review proceeding on that patent claim on  
13 the basis of any grounds, under the provisions of  
14 section 311, which that party or the privies of that  
15 party raised or had actual knowledge of; and

16 “(2) the Director may not thereafter maintain  
17 a post-grant review proceeding previously requested  
18 by that party or the privies of that party on the  
19 basis of such grounds.

20 **“§ 334. Effect of final decision on future proceedings**

21 “(a) IN GENERAL.—If a final decision under section  
22 330 is favorable to the patentability of any original or new  
23 claim of the patent challenged by the cancellation peti-  
24 tioner, the cancellation petitioner may not thereafter,

1 based on any ground which the cancellation petitioner  
2 raised during the post-grant review proceeding—

3 “(1) request or pursue a reexamination of such  
4 claim under chapter 31;

5 “(2) request or pursue a derivation proceeding  
6 with respect to such claim;

7 “(3) request or pursue a post-grant review pro-  
8 ceeding under this chapter with respect to such  
9 claim; or

10 “(4) assert the invalidity of any such claim, in  
11 any civil action arising in whole or in part under sec-  
12 tion 1338 of title 28.

13 “(b) EXTENSION OF PROHIBITION.—If the final deci-  
14 sion is the result of a petition for cancellation filed on the  
15 basis of paragraph (2) of section 322, the prohibition  
16 under this section shall extend to any ground which the  
17 cancellation petitioner raised during the post-grant review  
18 proceeding.

19 **“§ 335. Appeal**

20 “A party dissatisfied with the final determination of  
21 the Patent Trial and Appeal Board in a post-grant pro-  
22 ceeding under this chapter may appeal the determination  
23 under sections 141 through 144. Any party to the post-  
24 grant proceeding shall have the right to be a party to the  
25 appeal.”.

1 (f) CONFORMING AMENDMENT.—The table of chap-  
 2 ters for part III is amended by adding at the end the fol-  
 3 lowing:

**“32. Post-Grant Review Proceedings ..... 321”.**

4 (g) REGULATIONS AND EFFECTIVE DATE.—

5 (1) REGULATIONS.—The Under Secretary of  
 6 Commerce for Intellectual Property and Director of  
 7 the United States Patent and Trademark Office (in  
 8 this subsection referred to as the “Director”) shall,  
 9 not later than the date that is 1 year after the date  
 10 of the enactment of this Act, issue regulations to  
 11 carry out chapter 32 of title 35, United States Code,  
 12 as added by subsection (e) of this section

13 (2) APPLICABILITY.—The amendments made  
 14 by subsection (e) shall take effect on the date that  
 15 is 1 year after the date of the enactment of this Act  
 16 and shall apply to patents issued before, on, or after  
 17 that date, except that, in the case of a patent issued  
 18 before that date, a petition for cancellation under  
 19 section 321 of title 35, United States Code, may be  
 20 filed only if a circumstance described in paragraph  
 21 (2), (3), or (4) of section 322 of title 35, United  
 22 States Code, applies to the petition.

23 (3) PENDING INTERFERENCES.—The Director  
 24 shall determine the procedures under which inter-  
 25 ferences commenced before the effective date under

1 paragraph (2) are to proceed, including whether any  
 2 such interference is to be dismissed without preju-  
 3 dice to the filing of a cancellation petition for a post-  
 4 grant opposition proceeding under chapter 32 of title  
 5 35, United States Code, or is to proceed as if this  
 6 Act had not been enacted. The Director shall include  
 7 such procedures in regulations issued under para-  
 8 graph (1).

9 **SEC. 7. DEFINITIONS; PATENT TRIAL AND APPEAL BOARD.**

10 (a) DEFINITIONS.—Section 100 (as amended by this  
 11 Act) is further amended—

12 (1) in subsection (e), by striking “or inter  
 13 partes reexamination under section 311”; and

14 (2) by adding at the end the following:

15 “(k) The term ‘cancellation petitioner’ means the real  
 16 party in interest requesting cancellation of any claim of  
 17 a patent under chapter 31 of this title and the privies of  
 18 the real party in interest.”.

19 (b) PATENT TRIAL AND APPEAL BOARD.—Section 6  
 20 is amended to read as follows:

21 **“§ 6. Patent Trial and Appeal Board**

22 “(a) ESTABLISHMENT AND COMPOSITION.—There  
 23 shall be in the Office a Patent Trial and Appeal Board.  
 24 The Director, the Deputy Director, the Commissioner for  
 25 Patents, the Commissioner for Trademarks, and the ad-

1 ministrative patent judges shall constitute the Patent  
2 Trial and Appeal Board. The administrative patent judges  
3 shall be persons of competent legal knowledge and sci-  
4 entific ability who are appointed by the Director. Any ref-  
5 erence in any Federal law, Executive order, rule, regula-  
6 tion, or delegation of authority, or any document of or  
7 pertaining to the Board of Patent Appeals and Inter-  
8 ferences is deemed to refer to the Patent Trial and Appeal  
9 Board.

10 “(b) DUTIES.—The Patent Trial and Appeal Board  
11 shall—

12 “(1) on written appeal of an applicant, review  
13 adverse decisions of examiners upon application for  
14 patents;

15 “(2) on written appeal of a patent owner, re-  
16 view adverse decisions of examiners upon patents in  
17 reexamination proceedings under chapter 30; and

18 “(3) determine priority and patentability of in-  
19 vention in derivation proceedings under subsection  
20 135(a); and

21 “(4) conduct post-grant opposition proceedings  
22 under chapter 32.

23 Each appeal and derivation proceeding shall be heard by  
24 at least 3 members of the Patent Trial and Appeal Board,  
25 who shall be designated by the Director. Only the Patent

1 Trial and Appeal Board may grant rehearings. The Direc-  
2 tor shall assign each post-grant review proceeding to a  
3 panel of 3 administrative patent judges. Once assigned,  
4 each such panel of administrative patent judges shall have  
5 the responsibilities under chapter 32 in connection with  
6 post-grant review proceedings.”.

7 **SEC. 8. STUDY AND REPORT ON REEXAMINATION PRO-**  
8 **CEEDINGS.**

9 The Under Secretary of Commerce for Intellectual  
10 Property and Director of the Patent and Trademark Of-  
11 fice shall, not later than 3 years after the date of the en-  
12 actment of this Act—

13 (1) conduct a study of the effectiveness and ef-  
14 ficiency of the different forms of proceedings avail-  
15 able under title 35, United States Code, for the re-  
16 examination of patents; and

17 (2) submit to the Committees on the Judiciary  
18 of the House of Representatives and the Senate a  
19 report on the results of the study, including any of  
20 the Director’s suggestions for amending the law, and  
21 any other recommendations the Director has with  
22 respect to patent reexamination proceedings.

23 **SEC. 9. SUBMISSIONS BY THIRD PARTIES AND OTHER**  
24 **QUALITY ENHANCEMENTS.**

25 (a) PUBLICATION.—Section 122(b)(2) is amended—

1 (1) by striking subparagraph (B); and

2 (2) in subparagraph (A)—

3 (A) by striking “(A) An application” and  
4 inserting “An application”; and

5 (B) by redesignating clauses (i) through  
6 (iv) as subparagraphs (A) through (D), respec-  
7 tively.

8 (b) PREISSUANCE SUBMISSIONS BY THIRD PAR-  
9 TIES.—Section 122 is amended by adding at the end the  
10 following:

11 “(e) PREISSUANCE SUBMISSIONS BY THIRD PAR-  
12 TIES.—

13 “(1) IN GENERAL.—Any person may submit for  
14 consideration and inclusion in the record of a patent  
15 application, any patent, published patent application  
16 or other publication of potential relevance to the ex-  
17 amination of the application, if such submission is  
18 made in writing before the earlier of—

19 “(A) the date a notice of allowance under  
20 section 151 is mailed in the application for pat-  
21 ent; or

22 “(B) either—

23 “(i) 6 months after the date on which  
24 the application for patent is published  
25 under section 122, or

1           “(ii) the date of the first rejection  
2           under section 132 of any claim by the ex-  
3           aminer during the examination of the ap-  
4           plication for patent,  
5           whichever occurs later.

6           “(2) OTHER REQUIREMENTS.—Any submission  
7           under paragraph (1) shall—

8           “(A) set forth a concise description of the  
9           asserted relevance of each submitted document;

10           “(B) be accompanied by such fee as the  
11           Director may prescribe; and

12           “(C) include a statement by the submitter  
13           affirming that the submission was made in  
14           compliance with this section.”.

15 **SEC. 10. VENUE AND JURISDICTION.**

16           (a) VENUE FOR PATENT CASES.—Section 1400 of  
17           title 28, United States Code, is amended by striking sub-  
18           section (b) and inserting the following:

19           “(b) Any civil action arising under any Act of Con-  
20           gress relating to patents, other than an action for declara-  
21           tory judgment or an action seeking review of a decision  
22           of the Patent Trial and Appeal Board under chapter 13  
23           of title 35, may be brought only—

24           “(1) in the judicial district where either party  
25           resides; or

1           “(2) in the judicial district where the defendant  
2           has committed acts of infringement and has a reg-  
3           ular and established place of business.

4           “(c) Notwithstanding section 1391(c) of this title, for  
5           purposes of venue under subsection (b), a corporation  
6           shall be deemed to reside in the judicial district in which  
7           the corporation has its principal place of business or in  
8           the State in which the corporation is incorporated.”.

9           (b) INTERLOCUTORY APPEALS.—Subsection (c)(2) of  
10          section 1292 of title 28, United States Code, is amended  
11          by adding at the end the following:

12                 “(3) of an appeal from an interlocutory order  
13                 or decree determining construction of claims in a  
14                 civil action for patent infringement under section  
15                 271 of title 35.

16          Application for an appeal under paragraph (3) shall be  
17          made to the court within 10 days after entry of the order  
18          or decree, and proceedings in the district court under such  
19          paragraph shall be stayed during pendency of the ap-  
20          peal.”.

21          **SEC. 11. REGULATORY AUTHORITY.**

22          Section 3(a) is amended by adding at the end the  
23          following:

24                 “(5) REGULATORY AUTHORITY.—In addition to  
25                 the authority conferred by other provisions of this

1 title, the Director may promulgate such rules, regu-  
2 lations, and orders that the Director determines ap-  
3 propriate to carry out the provisions of this title or  
4 any other law applicable to the United States Patent  
5 and Trademark Office or that the Director deter-  
6 mines necessary to govern the operation and organi-  
7 zation of the Office.”.

8 **SEC. 12. TECHNICAL AMENDMENTS.**

9 (a) **JOINT INVENTIONS.**—Section 116 is amended—

10 (1) in the first paragraph, by striking  
11 “When” and inserting “(a) **JOINT INVEN-**  
12 **TIONS.—When**”;

13 (2) in the second paragraph, by striking  
14 “If a joint inventor” and inserting “(b) **OMIT-**  
15 **TED INVENTOR.—If a joint inventor**”; and

16 (3) in the third paragraph, by striking  
17 “Whenever” and inserting “(c) **CORRECTION OF**  
18 **ERRORS IN APPLICATION.—Whenever**”.

19 (b) **FILING OF APPLICATION IN FOREIGN COUN-**  
20 **TRY.**—Section 184 is amended—

21 (1) in the first paragraph, by striking “Except  
22 when” and inserting “(a) **FILING IN FOREIGN**  
23 **COUNTRY.—Except when**”;

1           (2) in the second paragraph, by striking “The  
2 term” and inserting “(b) APPLICATION.—The  
3 term”; and

4           (3) in the third paragraph, by striking “The  
5 scope” and inserting “(c) SUBSEQUENT MODIFICA-  
6 TIONS, AMENDMENTS, AND SUPPLEMENTS.—The  
7 scope”.

8           (c) REISSUE OF DEFECTIVE PATENTS.—Section 251  
9 is amended—

10           (1) in the first paragraph, by striking “When-  
11 ever” and inserting “(a) IN GENERAL.—Whenever”;

12           (2) in the second paragraph, by striking “The  
13 Director” and inserting “(b) MULTIPLE REISSUED  
14 PATENTS.—The Director”;

15           (3) in the third paragraph, by striking “The  
16 provision” and inserting “(c) APPLICABILITY OF  
17 THIS TITLE.—The provisions”; and

18           (4) in the last paragraph, by striking “No re-  
19 issued patent” and inserting “(d) REISSUE PATENT  
20 ENLARGING SCOPE OF CLAIMS.—No reissued pat-  
21 ent”.

22           (d) EFFECT OF REISSUE.—Section 253 is amend-  
23 ed—

1           (1) in the first paragraph, by striking “When-  
2           ever” and inserting “(a) IN GENERAL.—Whenever”;  
3           and

4           (2) in the second paragraph, by striking “in  
5           like manner” and inserting “(b) ADDITIONAL DIS-  
6           CLAIMER OR DEDICATION.—In the manner set forth  
7           in subsection (a),”.

8           (e) CORRECTION OF NAMED INVENTOR.—Section  
9           256 is amended—

10           (1) in the first paragraph, by striking “When-  
11           ever” and inserting “(a) CORRECTION.—Whenever”;  
12           and

13           (2) in the second paragraph, by striking “The  
14           error” and inserting “(b) PATENT VALID IF ERROR  
15           CORRECTED.—The error”.

16           (f) PRESUMPTION OF VALIDITY.—Section 282 is  
17           amended—

18           (1) in the first undesignated paragraph, by  
19           striking “A patent” and inserting “(a) IN GEN-  
20           ERAL.—A patent”;

21           (2) in the second undesignated paragraph, by  
22           striking “The following” and inserting “(b) DE-  
23           FENSES.—The following”; and

24           (3) in the third undesignated paragraph, by  
25           striking “In actions” and inserting “(c) NOTICE OF

1       ACTIONS; ACTIONS DURING EXTENSION OF PATENT  
2       TERM.—In actions”.

3   **SEC. 13. EFFECTIVE DATE; RULE OF CONSTRUCTION.**

4       (a) EFFECTIVE DATE.—Except as otherwise provided  
5 in this Act, the provisions of this Act shall take effect 12  
6 months after the date of the enactment of this Act and  
7 shall apply to any patent issued on or after that effective  
8 date.

9       (b) CONTINUITY OF INTENT UNDER THE CREATE  
10 ACT.—The enactment of section 102(b)(3) of title 35,  
11 United States Code, under section (3)(b) of this Act is  
12 done with the same intent to promote joint research activi-  
13 ties that was expressed, including in the legislative history,  
14 through the enactment of the Cooperative Research and  
15 Technology Enhancement Act of 2004 (Public Law 108–  
16 453; the “CREATE Act”), the amendments of which are  
17 stricken by section 3(c) of this Act. The United States  
18 Patent and Trademark Office shall administer section  
19 102(b)(3) of title 35, United States Code, in a manner  
20 consistent with the legislative history of the CREATE Act  
21 that was relevant to its administration by the Patent and  
22 Trademark Office.

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